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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

A 92-22774

(Mark One)

X QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED MARCH 31, 1992 OR

___ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____

JUN 1 1992

Commission file number 33-23786-LA

AMDL, INC.
(Exact name of registrant as specified in its charter)

Delaware	87-0188822
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

36 South Chester Avenue
Pasadena, California 91106
(Address of principal executive offices) (Zip Code)

(818) 356-9895
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Applicable only to corporate issuers:

As of May 8, 1992, the Registrant had outstanding 13,431,586 shares of its common stock, par value $.001.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

AMDL, INC.
(A Development Stage Company)
Consolidated Balance Sheets
(Unaudited)

ASSETS

	December 31, 1991	March 31, 1992
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	$ 61,214	$ 170,193
Accounts receivable (Note 5)	-	-
Prepaid expenses	-	-
TOTAL CURRENT ASSETS	61,214	170,193
Equipment net of accumulated depreciation of $15,596 and $19,747 respectively (Note 1)	60,795	63,876
Patents in process, net of accumulated amortization of $17,497 and $19,684 respectively (Note 1)	70,000	67,813
TOTAL ASSETS	$ 192,009	$ 301,882

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES		
Notes payable	$ 450,000	$ 500,000
Accounts payable and accrued expenses	271,841	244,910
Accrued payroll (Note 6)	106,320	153,240
Accrued payroll taxes	53,704	17,291
Other accrued liabilities	50,542	60,292
TOTAL CURRENT LIABILITIES	932,407	975,733
STOCKHOLDERS' DEFICIT (Notes 1 and 8):		
Common stock, $.001 par value- 50,000,000 shares authorized, 13,431,586 shares issued and outstanding at December 31, 1991 and March 31, 1992 respectively	13,432	13,432
Preferred stock, 10,000,000 shares authorized, no shares issued or outstanding at December 31, 1991 and March 31, 1992	-	-
Additional paid-in capital	676,767	676,767
Deficit accumulated during the development stage	(1,430,597)	(1,364,050)
TOTAL STOCKHOLDERS' DEFICIT	(740,398)	(673,851)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 192,009	$ 301,882

The accompanying notes are an integral part of these financial statements.

AMDL, INC.
(A Development Stage Company)
Statements of Operations
(Unaudited)

	For the Three Months Ended March 31, 1992	For the Three Months Ended March 31, 1991	From Inception on July 10, 1987 through March 31, 1992
REVENUES	$ -	$ -	$ -
EXPENSES (Notes 6,7, and 8)	233,453	161,089	(2,398,333)
OTHER INCOME (Note 5)	300,000	957	1,034,283
NET INCOME (LOSS) (Note 1)	$ 66,547	$ (160,132)	$(1,364,050)
EARNINGS (LOSS) PER SHARE	$ 0.00	$ (0.01)	$ (0.03)

The accompanying notes are an integral part of these financial statements.

AMDL, INC.
(A Development Stage Company)
Statement of Stockholders' Deficit
From Inception on July 10, 1987 Through March 31, 1992
(Unaudited)

	Common Stock Shares	Common Stock Amount	Preferred Stock Shares	Preferred Stock Amount	Additional Paid-in Capital	Deficit Accumulated During the Development Stage
BALANCE, December 31, 1987	-	$ -	-	$ -	$ -	$ -
Common stock issued	1,275	1,275	-	-	-	-
Net loss	-	-	-	-	-	(37,323)
BALANCE, December 31, 1988	1,275	1,275	-	-	-	(37,323)
Restatement due to merger of common stock (Note 1)	8,865,307	7,591	-	-	48,201	-
Common stock issued (Note 8)	1,347,880	1,348	-	-	54,994	-
Net loss	-	-	-	-	-	(261,479)
BALANCE, December 31, 1989	10,214,462	10,214	-	-	103,195	(278,802)
Common stock issued (Note 8)	3,157,124	3,158	-	-	565,147	-
Net loss	-	-	-	-	-	(107,415)
BALANCE, December 31, 1990	13,371,586	13,372	-	-	668,342	(386,217)
Common stock issued (Note 8)	60,000	60	-	-	8,425	-
Net loss	-	-	-	-	-	(1,044,380)
BALANCE, December 31, 1991	13,431,586	13,432	-	-	676,767	(1,430,597)
Net loss	-	-	-	-	-	66,547
BALANCE, March 31, 1992	13,431,586	$ 13,432	-	$ -	$ 676,767	$(1,364,050)

The accompanying notes are an integral part of these financial statements.

ANDL, INC.
(A DEVELOPMENT STAGE COMPANY)
Statements of Cash Flows
(Unaudited)

	For the Three Months Ended March 31, 1992	For the Three Months Ended March 31, 1991	From Inception on July 10, 1987 Through March 31, 1992
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income (loss)	$ 66,547	$ (160,132)	$ (1,364,050)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	6,338	4,572	39,431
Stock issued for services	-	-	293,416
Change in operating assets and liabilities:			
Decrease in accounts receivable	-	100,000	-
(Increase) decrease in prepaid expenses	-	3,000	-
Increase (decrease) in accounts payable and accrued expenses	(6,674)	(7,628)	475,733
Net Cash Provided (Used) in Operating Activities	66,211	(60,188)	(555,470)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of equipment	(7,232)	-	(83,625)
Expenditures for patents in process	-	-	(87,497)
Net Cash Provided (Used) in Investing Activities	(7,232)	-	(171,120)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issuances of common stock	-	-	339,716
Net effect of merger with CVI	-	-	57,067
Loan from shareholder	50,000	-	500,000
Net Cash Provided (Used) in Financing Activities	50,000	-	896,783
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	108,979	(60,188)	170,193
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	61,214	95,019	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 170,193	$ 34,831	$ 170,193
NON-CASH FINANCING ACTIVITIES:			
Common stock issued for services	$ -	$ -	$ 293,416
CASH PAID FOR:			
Interest	-	-	-
Income taxes	-	-	-

The accompanying notes are an integral part of these consolidated financial statements.

AMDL, INC.
(A Development Stage Company)
Notes to the Financial Statements
December 31, 1991 and March 31, 1992

1. Summary of Significant Accounting Policies

a. Organization and Nature of Business

AMDL, INC. (formally Advanced Medical Diagnostic, Ltd.) (the Company) was incorporated July 10, 1987, in the state of Delaware, however, no financial activity occurred until 1988. The Company is a development-stage company committed to the development of an accurate, dependable, low-cost broad-based cancer detection technology (see Note 2).

On January 16, 1989, the officers/shareholders of the Company entered into a share exchange agreement (the Agreement) with California Ventures, Inc. (CVI) and its officers which provides for the combining of the two companies in a transaction accounted for as a reverse acquisition. CVI is a development-stage enterprise located in Colorado that was formed on May 3, 1988, for the purpose of engaging in mergers with or acquiring a single or small number of private firms.

Under the Agreement, the principal officers/shareholders of the Company exchanged all of their shares of common stock for 113,000,000 shares (shares indicated do not reflect the reverse stock split on a 1-for-15 basis in 1989) of previously unissued and unregistered shares of CVI common stock. Subsequently, the domicile of CVI was changed to Delaware and its name was changed to AMDL, Inc.

Even though CVI is the legal entity surviving the transaction, the Company is considered to be the acquiring company for accounting purposes because the former shareholders of the company hold the majority of the outstanding shares of the combined companies. This transaction was treated as a reverse acquisition for financial reporting purposes, wherein substantively the Company acquired CVI with the accounts of CVI reflected at their book value from the date of acquisition forward. No goodwill was recorded at the acquisition date.

In connection with the transaction, the Company received approximately $57,000 in cash, which was used for working capital and to expand the business.

The Company is in the development stage and has not generated any revenues from operations and has no assurance of future revenues. Additionally, the Company has minimal liquid assets. In order to finance the operations of the Company and further development, additional capital is required. There is no assurance that the Company will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to the Company.

1. Summary of Significant Accounting Policies (Continued)

Management has taken action to address these matters. They include:

- Retention of experienced management personnel with particular skills in the successful completion of cash generating licensing agreements, etc.

- Attainment of technology to detect cancer (see Note 2).

Additionally, the Company has unsecured notes payable which were due in April 1992. The Company is currently in default on its principal and interest payments. Management is currently attempting to renegotiate the loans. These circumstances raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The Company plans to seek additional debt or equity financing, although no commitments have been received.

b. Licensing Agreements

The Company recognizes as income the sale of options to purchase the marketing rights of its proposed cancer detection products when cash is collected or collection is certain. The proceeds from the sale of the options are non-refundable.

c. Equipment

Equipment is depreciated on the straight-line basis over five years which is the estimated useful lives of the related assets.

d. Patents in Process

The Company has expended funds for patents that are in various stages of the filing and approval process. Patents in process are depreciated on the straight-line basis over an estimated useful life of 10 years.

e. Common Stock

The Company issued common stock for certain services rendered during 1989, 1990 and 1991 (see Note 8). The common stock issued was valued at the then existing fair market price, as determined by management and the board of directors of the Company. Management and the board of directors considered market price quotations and other factors in determining fair market price for purposes of valuing the common stock.

1. Summary of Significant Accounting Policies (Continued)

f. Loss per Share

Loss per share was computed based on the weighted average number of shares outstanding for the period. The effect of stock options and warrants on loss per share is antidilutive and thus not included in the loss per share calculation.

g. Cash Equivalents

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

2. Assignment of Technology

During October 1988, the Company received an assignment of all rights, title and interest in a particular technology invented and developed for the detection of cancer. The Company paid $1.00 for such technology and no costs related thereto were previously incurred by the inventor.

The Company's products, to the extent they may be deemed medical devices or biologics, are governed by the Federal Food, Drug and Cosmetics Act and by the regulations of state agencies and various foreign government agencies. The Company's proposed test system and other clinical products intended for diagnostic or therapeutic use in humans are subject to certain clearance procedures administered by the FDA. The Company has not yet applied for FDA approval of its proposed products. There can be no assurance that the Company will ever receive the regulatory approval required to market its proposed products or that the FDA will review the product within the average period of time.

3. Notes Payable

Notes payable consists of the following:

	1991	1992
Unsecured notes to individuals, corporations and trusts, interest accruing at 10 percent per annum, principal and interest due in April 1992	$ 390,000	$ 390,000

3. Notes Payable (Continued)

Convertible demand note payable to an officer and director of the Company. The note is noninterest bearing until June 1992, after which interest accrues at 8%. The note is convertible into 142,857 shares of common stock of the Company upon request of the note holder at a price of $.42 per share.	60,000	110,000
	$ 450,000	$ 500,000

4. Income Taxes

The Company has not had any operating revenue since inception. As such, no provision for income tax has been made for the years ended December 31, 1991, 1990, and 1989, due to net operating losses. At December 31, 1991, the Company has available for federal and state income tax purposes, net operating loss carryforwards of approximately $1,430,000 and $715,000 respectively, which expire in the years 2003 through 2007. These net operating loss carry forwards are also available for financial reporting purposes.

The Company has elected to defer the application of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes," until the fiscal year ending December 31, 1993. Adoption of the new standard will result in a catch-up adjustment that may be reported in the year the standard is implemented or in an earlier year if the Company elects retroactive application. Management presently anticipates that the adoption of the new standard will not have a material impact on the Company's financial position or results of operations.

5. Licensing Agreements

Effective January 1989 and revised in May and October 1989, the Company entered into a licensing agreement with a Canadian company to market and sell the Company's proposed cancer detection products in Canada, directly or through agents, distributors, etc. The Company has the right to receive $1.00 each for the first 500,000 test kits sold for a maximum of $500,000 in licensing fees. The Company received approximately $120,000 as an initial non-refundable licensing fee in 1989.

5. Licensing Agreements (Continued)

receive $1.00 each for the first 500,000 test kits sold for a maximum of $500,000 in licensing fees. The Company received approximately $120,000 as an initial non-refundable licensing fee in 1989.

In June 1990, the Company sold options to purchase the marketing rights to Great Britain, Australia and New Zealand for $60,000, non-refundable. The exercise period of the options is six months from the time the Company files its patent applications for its test kits in the countries within the subject regions and is prepared to test up to 100 human sera in a blind study designed to provide an evaluation of the proposed products, which were not completed as of December 31, 1991. The purchase price of the marketing rights under option is $1,000,000 for Australia and New Zealand and $2,000,000 for Great Britain. The purchase price entitles the purchaser to purchase 1,000,000 units for Australia and New Zealand and 2,000,000 units for Great Britain at a discount of $1.00 per unit and thereby recoup the cost of the marketing rights.

In June 1990, the Company sold an option to purchase the marketing rights for Europe for $300,000, non-refundable. The option period is six months from the date the Company files its patent application and is ready to perform up to 100 tests as explained above, which have not been completed as of December 31, 1991. The purchase price of the marketing rights under option is $5,000,000. The exercise of the option entitles the purchaser to purchase up to 5,000,000 units of the Company's products at a discount of $1.00 per unit and thereby recoup the cost of the marketing rights.

In October 1990, the Company sold an option to acquire exclusive marketing and distribution rights to the Company's proposed cancer detection products for human application in all other countries in the world except the U.S. and any countries previously optioned by the Company. The optionee agreed to pay $500,000 for such option, $100,000 was paid upon execution of the agreement, $50,000 was paid on or before November 21, 1990, $100,000 was paid on February 6, 1991, and the balance of $250,000 is due upon the completion of certain events. As of December 31, 1991, the Company had received the non-refundable balance of the option price.
The agreement provides that the optionee may exercise separate options upon the payment of $2,500,000 for Japan, $1,000,000 for North and South Korea, $500,000 for China, $1,000,000 for South America, $500,000 for Central America, $1,000,000 for the U.S.S.R., $500,000 for Taiwan, and $500,000 for the other countries in the world except the U.S. and the countries previously optioned by the Company.

5. Licensing Agreements (Continued)

The options are exercisable for a single six-month period commencing with the date the Company is prepared to perform up to 100 tests in each region as described above. The agreement also provides that if the options are exercised, the Company will discount the standard wholesale per unit price of its products to the purchaser by $1.00 per unit until it has sold a sufficient number of products in each region to recoup the purchase price paid for that region.

6. Related Party Transactions

During 1991, and 1992, the Company had incurred $435,779, and $64,626, respectively, of consulting fees to officers of the Company. The remaining unpaid balance at December 31, 1991 and March 31, 1992, was $106,320 and $156,904, respectively, and is included in accrued payroll.

7. Commitments and Contingencies

Employment Agreement

The Company paid Dr. Donald Rounds $60,000 for research services through August 27, 1991. In September 1991, the Company entered into three year employment agreements with each of Louis R. Dilts, Dr. Robert R. Guerrero and Dr. Donald Rounds. The employment agreements, as amended, for Drs. Guerrero and Rounds provide for an annual base salary of $90,000 per year. The employment agreement, as amended, for Mr. Dilts provides for an annual base salary of $98,000 per year. The employment agreements contain severance provisions generally indicating that if any of the agreements are terminated by the Company prior to its expiration without cause, the terminated employee shall be entitled to a severance payment in the amount of $48,000. The agreements also provide for customary insurance, vacation and sick leave benefits and contain nondisclosure provisions and covenants not to compete. In addition, the agreement with Mr. Dilts provides for an automobile allowance not to exceed $400 per month, and an annual cash bonus determined based on the Company's operating profit as follows: two percent of the first $1,500,000; and three percent of the next $1,500,000; four percent of the next $1,500,000; and five percent of each $1,500,000 thereafter, up to a maximum bonus of $1,000,000 in any single calendar year.

In September 1991, the Company also entered into termination and severance agreements with Dr. Richard Anderson and

7. Commitments and Contingencies

Employment Agreement (Continued)

Thomas V. Tilton, founder and former officers and directors of the Company. The agreements with Messrs. Tilton and Anderson provide that such persons shall remain employed by the Company through November 30, 1991, at their historical compensation of $7,500 per month for three months, and shall thereafter receive a severance payment in the amount of $48,000; however, the agreements provide that such payments shall be consolidated and paid in 12 monthly installments of $5,875 each, commencing September 1, 1991. The agreements also provide for the continued payment of medical insurance premiums through February 28, 1992, and contain nondisclosure provisions and covenants not to compete.

8. Capital Transactions

a. Common Stock

CVI sold to the public 733,333 units of common stock prior to the merger date. The units were offered at a purchase price of $.15 per share per unit. Each unit consisted of one share of the Company's $0.001 par value common stock and two common stock purchase warrants. One warrant (the A warrant) entitles the holder thereof to purchase one share of common stock at $0.60 per share during the period commencing on the date of the prospectus (October 11, 1988) and terminating two years thereafter. The other warrant (the B warrant) entitled the holder thereof to purchase one share of common stock at $1.05 per share during the period commencing on the date of the prospectus (October 11, 1988) and terminating three years thereafter. The warrants are separately transferable and tradeable from the common stock immediately after the closing of the offering (December 1988). The terms of the A and B warrants were extended through October 10, 1992. However, neither the A or B warrants are exercisable in the absence of a current registration statement under SEC regulations. The Company has the right to redeem the A and/or B warrants upon thirty days written notice to the holders thereof at $0.0015 per warrant beginning three months after the date of the prospectus (October 11, 1988). The Company received net proceeds of approximately $80,000 from this public offering.

In 1989, the shareholders approved a reverse split of the common stock on a 1-for-15 basis. All common stock and loss per share data has been adjusted to reflect the effects of the reverse split. In addition, the number of shares of common stock authorized was reduced and the par value was changed to $0.001 per share from $0.0001 per share.

8. Capital Transactions (Continued)

Subsequent to the merger on January 16, 1989, the following common stock transactions occurred:

1989

The Company issued 1,179,880 shares of common stock at $0.001 per share for services rendered.

The Company issued 146,000 shares of common stock under a private placement agreement.

The Company issued 22,000 shares of common stock at $0.001 per share for underwriting fees.

1990

The Company issued 300,000 shares of common restricted stock at $0.25 per share to three officers as compensation for back salary owed by the Company.

The Company issued 30,000 shares of common restricted stock at $1.00 per share for services rendered.

The Company issued 14,000 shares of common stock at $0.50 a share in lieu of paying a $7,000 finder's fee.

The Company expanded the private placement memorandum of September 21, 1989, to authorize 1,000,000 shares from the original authorization of 400,000 shares and extended the expiration date to September 15, 1990. An addtional 451,000 shares were issued under this private placement agreement.

The Company sold 230,000 shares in a negotiated transaction with three parties at $0.25 per share.

The Company authorized and issued 90,000 shares of common stock at $0.04 per share, to one of its board directors.

The Company issued 15,000 shares at $0.04 per share to a private party.

The Company issued 1,477,124 shares at $0.0015 under a restricted stock agreement with Dr. Donald Rounds (see Note 7). Said shares vest over a period of time and are subject to certain conditions.

The Company issued 500,000 shares of common stock at $0.25 per share for services rendered.

8. Capital Transactions (Continued)

The Company authorized 200,000 shares of restricted common stock at $1.00 per share as compensation under a consulting agreement, of which 50,000 shares were issued in fiscal year 1990. On April 16, 1991, the consulting agreement was terminated and no further shares were issued. (See Note 7)

1991

The Company issued 50,000 shares of common stock at $0.001 per share as compensation under a consulting agreement.

The Company issued 10,000 shares of restricted common stock at $0.25 per share pursuant to conversion of a $2,500 loan. The loan was negotiated and made during 1990.

b. Benefit Plans

On May 3, 1988, the Company adopted an Incentive Stock Option Plan (the Stock Option Plan) under which options granted are intended to qualify as "incentive stock options" under Section 422A of the Internal Revenue Code of 1954, as amended (the code). Pursuant to the Stock Option Plan, options to purchase up to 266,667 shares of the Company's common stock may be granted to employees of the Company. The Stock Option Plan is administered by the board of directors, which is empowered to determine the terms and conditions of each option, subject to the limitation that the exercise price cannot be less than the market value of the common stock on the date of the grant (110 percent of the market value in the case of options granted to an employee who owns 10 percent or more of the Company's common stock) and no option can have a term in excess of 10 years (five years in the case of options granted to employees who own 10 percent or more of the Company's common stock). No options have been granted under the Stock Option Plan as of March 31, 1992.

The Company adopted in 1992 the 1992 Stock Option Plan. Under the plan, incentive stock options and nonqualified options may be granted to officers and key employees of the Company for the purchase of up to 1,000,000 shares of the Company's common stock. Additionally, specific option grants may also be made. Expiration dates for the options may not exceed 10 years from the date of grant. In connection with the adoption, specific option grants for the purchase of 3,622,500 shares with an exercise price of $.25 per share were granted.

8. Capital Transactions (Continued)

c. Stock Options and Warrants

In October 1990, the Company issued three-year warrants to purchase up to 300,000 shares of the Company's common stock at an exercise price of $4.00 per share to its investment banking consultants. The warrants were granted at an exercise price of not less than the estimated fair market value of the common stock at the date of grant. As of March 31, 1992, no warrants had been exercised.

The Company granted options to two of its directors and legal counsel to purchase 100,000 shares each of common stock at $1.00 per share. The options were granted at an exercise price of not less than the estimated fair market value of the common stock at the date of grant. As of March 31, 1992, no options had been exercised.

9. Subsequent Events

In April 1992, the Company entered into an agreement to purchase certain equipment by entering into a capital lease transaction. Future principal and interest payments are due as follows:

1992	$ 21,987
1992	101,456
	123,443
Less - amounts representing interest	(23,443)
	$100,000

10. Commitments

In January of 1992 the Company received a raw-material (sales) royalty for $300,000. The raw-material (sales) royalty entitles the owner to a 5% royalty on future sales of the Company's test kits in Canada and the United Kingdom.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Changes in Financial Condition

Since inception, the Company has been in the development stage and has devoted its resources to research and development of its proposed cancer detection products. The Company has not completed development of its products and has not generated any revenues from product sales. Funding for the Company's activities has come principally from sales of securities and from sales of options to acquire marketing rights. Although the Company recorded nat income for the three months ended March 31, 1992, the Company maintains a working capital deficit. At March 31, 1992, the Company's current assets were $170,193, while its current liabilities were $975,733. Accordingly, the Company's current liabilities exceeded its current assets by $805,540. In addition, on March 31, 1992, the Company's current liabilities included notes payable of $500,000, of which $390,000 is past due. The Company intends to request an extension from these noteholders, who have rights of conversion to the common stock of the Company, but no assurance can be given that extensions will be granted or any conversions made by the holders of the notes.

Since March 31, 1992, the Company has borrowed $275,000 pursuant to promissory notes which bear interest at the rate of 12 percent per annum and are due the earlier of March 31, 1993 or the closing of a public offering by the Company of equity securities for cash in an amount equal to or greater than $2,000,000. In addition, for each $1 in debt, the Company has agreed to issue Warrants entitling the holder to purchase one share of the Company's common stock for $.25. Accordingly, Warrants will be issued to purchase 275,000 shares of the Company's common stock.

Subsequent to March 31, 1992, the Company entered into a letter of intent with a broker-dealer in securities for a prospective underwriting of shares of convertible preferred stock in the approximate amount of $8,000,000. The price of the convertible preferred stock will be determined immediately prior to the offering, and is expected to be determined, in part, by the then current bid price for the Company's common stock. It is presently unknown when the offering will be made. The offering will be made only by means of a Prospectus which will be part of a Registration Statement. The Company anticipates filing a Registration Statement in the near future. The completion of the offering will depend upon many factors, including the Company's progress in its research and development activities as well as certain factors which are beyond the Company's control, including market conditions. The completion of the offering is not assured.

Changes in Results of Operations

In January 1992, the Company entered into a Letter of Agreement with AMDL Canada, Inc. The subject of the Agreement is the reagent being developed for the Company's test kit. AMDL Canada has acquired a royalty interest in the raw material on a per unit test basis sold in Canada and the United Kingdom to the extent of 5 percent of the list price per test kit. For this royalty, AMDL Canada paid to the Company $300,000. This payment was the sole source of income for the Company for the three months ended March 31, 1992. The Company incurred expenses of $233,453, resulting in net income of $66,547. For the three months ended March 31, 1991, the Company had income of $957, and expenses of $161,089. The Company incurred a lost of $160,132 for the three months ended March 31, 1991. The Company does not anticipate receiving any income during the current quarter.

PART II - OTHER INFORMATION

Item 3. Defaults Upon Senior Securities.

In early 1991, the Company borrowed an aggregate of $390,000 from purchasers of the Company's unsecured convertible notes in a private placement. The notes bear interest at 10% per annum and are unpaid. No noteholder has declared the Company in default. The Company intends to request an extension, but there can be no assurance that noteholders will convert their notes or otherwise forbear from collection efforts.

Item 5. Other Information.

As more particularly discussed in the Management's Discussion and Analysis of Financial Condition and Results of Operations Section above, the Company intends to undertake a public offering of convertible preferred stock. The Company presently has no shares of preferred stock outstanding. A Registration Statement is anticipated to be filed in the near future and is subject to review by the Securities and Exchange Commission. The offering will be made only by means of a prospectus. There can be no assurance of completion of any offering by the Company.

SIGNATURES

Pursuant to the requirements of the Securites Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorised.

AMDL, INC.

Date: May 29, 1992

By: _____
Louis R. Dilts, President